

addressed Applicants' arguments as not persuasive. Applicants respectfully submit that the Examiner has improperly characterized Applicants' arguments.

On page 5 of the Final Action, the Examiner suggests that Applicants' mention of U.S. Patent No. 5,556,253 ("253 Patent") was an attempt by Applicants to incorporate by reference the '253 Patent. In fact, Applicants were only referring to the '253 Patent as it was discussed in the Alft prior art cited in the First Action. In the Response, Applicants referenced and quoted a section of the Alft reference where the '253 Patent was incorporated by reference, *into the Alft patent*. See Response at page 5, first paragraph. Applicants pointed out that the only mention in the Alft reference of automatically controlling a rod loader is the incorporation of the '253 Patent into the Alft reference. Applicants also pointed out that the '253 Patent only discloses a mechanical device and does not refer to a controller or automatic controls. Thus, the Alft reference could not provide an element of the Applicants' claims that was missing from the Hesse reference, used as the primary reference in the rejection. There is no disclosure in Hesse, or Alft, or the '253 patent incorporated by reference into Alft, beyond the bare statement quoted in the Response, of a system that automatically controls reducing the length of the drill string. Applicants therefore made the argument and maintain that a *prima facie* case of obviousness was not made by the Examiner in rejecting the pending claims as obvious over the Hesse reference in view of the Alft reference because neither Hesse nor Alft disclose automatically reducing a length of the drill string, as is required by Applicants' claims.

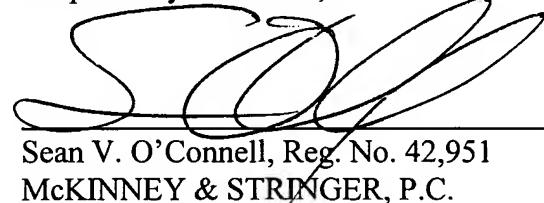
In the Response, Applicants also identified that Applicants' specification, unlike the Hesse and Alft references, does indeed include a disclosure of automatically reducing a length of the drill string. See Response at page 5, second paragraph. Support for Applicants' disclosure of the pipe handling control system can be found in paragraphs 48, 81, and 125 of the published application. See U.S. Pub. App. No. 2004/0028476. There Applicants describe the structure and components that comprise the pipe handling control system that automatically reduces the length of the drill string. Applicants also incorporate by reference U.S. Application Ser. No. 09/146,123 ("123 application") into the present application (see paragraphs 48, 81,

and 125 of U.S. Pub. App. No. 2004/0028476). The '123 application has since issued as U.S. Patent No. 6,179,065, and is owned by The Charles Machine Works, Inc. (the Charles Machine Works, Inc., is also the owner of the present application). Thus, in the Response, Applicants were not attempting to incorporate another application or patent for support, but rather were indicating that the application properly incorporated by reference in the specification of the present application is now an issued patent.

Applicants respectfully submit the Examiner misread Applicants' comments in the Response and request the Examiner reconsider the rejection. It is submitted that the claims are allowable and a Notice of Allowance courteously is solicited. Should the Examiner have any questions or comments regarding this response or the application, Applicants' attorney would welcome the opportunity to discuss the same with the Examiner.

This is intended to be a complete response to the Office Action mailed January 21, 2005.

Respectfully submitted,



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